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LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____

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DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

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BASIC FINANCIAL STATEMENTS

**John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806**

INDEPENDENT ACCOUNTANTS' REPORT

To the Board Members of the
Louisiana Physical Therapy Board
104 Fairlane Drive
Lafayette, Louisiana 70507

I have reviewed the accompanying financial statements of the business type activities of the Louisiana Physical Therapy Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Louisiana Physical Therapy Board's management.

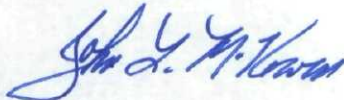
My review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Board personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated September 5, 2011, on the results of my agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

As discussed in Note 11 to the financial statements, an error was discovered in the obligation for other post-employment benefits resulting in an overstatement of unrestricted net assets and other post-employment benefits payable as of June 30, 2011. Accordingly, the 2011 financial statements have been restated to correct the error, My Independent Accountants' Report dated September 5, 2011 should not be relied upon because the financial statements were materially misstated and is replaced by this report on the reissued financial statements.

A handwritten signature in blue ink, appearing to read "John L. McKowen".

John L. McKowen, CPA
September 24, 2011

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The purpose of this section is to offer management's discussion and analysis of the Louisiana Physical Therapy Board of the State of Louisiana's (hereafter referred to as the Board) financial performance during the year ended June 30, 2011. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Highlights of the Board as a Whole

The Louisiana Physical Therapy Board, which consists of seven members, met for a total of twenty four days for board meetings during fiscal year 2011. Board Meetings last for two days and have very full agendas. A board member must document a minimum of two hours of board business to be paid a per diem. The Physical Therapy Board receives no state appropriations and operates solely on the fees which it collects pursuant to the La Physical Therapy Practice Act.

Board and Advisory Committee Members interview new applicants wishing to be licensed in the state to welcome and educate them about the rules in Louisiana and how our rules differ from other states.

For consistency and to save time, continuing education course prior approval is no longer reviewed at board meetings. A Committee of two Board Members routinely reviews requests for Continuing Education Course Sponsor Prior Approval.

Financial and investment data is reviewed monthly by the board to determine expenses versus budgeted amounts. In fiscal year 2011, Board revenues, the majority from licensure fees, totaled \$526,000 while spending in the fiscal year was \$549,000. As a whole, the board manages a sound financial status. Annual attestations/reviews are conducted by a contract CPA firm reporting compliance without findings.

Due to the economic downturn during FY 10/11, the board's certificates of deposit earned a modest \$12,645. This earning is half the \$25,000 budgeted amount. Under the state requirement of investing in a Louisiana based bank and a maximum of a 12 month investment in a certificate of deposit, the board found a better interest rates offered in small town banks. The current Certificates of Deposit at Montgomery Bank are paying interest compounded monthly as opposed to previous earnings at maturity.

A major responsibility of the Board is on-going review of the statutes and administrative rules governing

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the practice of physical therapy Act 535 of the Regular Session of the 2009 Louisiana Legislature amended and restated Act 208 of 1987 to change the name of the Board to the Louisiana Physical Therapy Board and added the following major changes

- Change the name of the Board to the Louisiana Physical Therapy Board,
- Increase the Board from five to seven members,
- Add to the Board membership a physical therapist assistant,
- Authorize the LPTA to nominate physical therapists for some of the Board positions,
- Increase compensation for Board members from \$50 to \$150 per day when working on Board business,
- Allow confidential handling of self-reported substance abuse issues for licensees,
- Allow the Board to do away with temporary permits for new applicants,
- Authorize the Board to require fingerprints and criminal background checks of applicants,
- Add "sexual misconduct" as a specific ground for disciplinary action against a licensee,
- Included "DPT" among protected titles for the profession,
- Remove the requirement that license renewal be "annual", Board could change to bi-annual by rule revision, and
- Give the Board authority to issue "cease and desist" orders to those found to be practicing in violation of practice act or rules of the Board

Act 535 became effective in January of 2010 Act 139 became effective August 2010 changing supervision of the physical therapist assistant After Act 535 became law in 2009, the board began the process of drafting proposed comprehensive rule language to further define the duties and authority of the Board During fiscal year 2011, the board spent countless hours reviewing rules language and discussing the language on conference calls with staff and attorneys to provide guidance for drafting proposed language This language would then be reviewed and decided upon at board meetings. Initial publication of the Comprehensive Rule Revision was printed in the December 20th issue of the La Register In January 2010, a public hearing was held to accept verbal and written comments Substantive changes were made to proposed language which led to 2 more publications and public hearings

The Board received approximately 40 complaints regarding alleged violations of the Physical Therapy Practice Act and Rules and Regulations Approximately 90% of complaints are dealt with on an informal basis These allegations are dealt with either by letter and/or by informal conference with the individual or business after proper investigation During the month, board members who are assigned as the Case Manager for a complaint, may meet with the licensee for an Informal Conference requiring time away from work and often travel Currently, the board does not have statutory authority to assess a fine to a disciplined licensee, however, a partial reimbursement of administrative costs is included in the Informal Agreement with the licensee to recoup expenses

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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CONFERENCES AND MEETING PRESENTATIONS

The activity of the Board includes

Federation of State Boards of Physical Therapy (FSBPT) - The FSBPT develops and administers the National Physical Therapy Examination (NPTE) for both physical therapists and physical therapist assistants in 53 jurisdictions and/or territories

Annually, the Federation provides educational programs for member boards and other bodies interested in effective licensure, regulation, and enforcement in the practice of physical therapy. As an active participant in Federation activities, the Board approved Board members and its Executive Director to participate on Federation business at its annual meeting. This is done to assure broad and active participation in the governance of the organization and in educational presentations.

Board Members attending the Federation's Annual Meeting in Denver, CO in September 2010 were Jerry Jones, Jr., Donna "Dee" Cochran, Al Moreau, III, Dan Wood, Teresa Maize, and Danny Landry. Board Executive Director Cheryl Gaudin and Board Legal Counsel Glenn Ducote and George Papale also attended. Educational topics included:

- Data Forensics
- Exam Security Breaches
- Healthcare Reform 2010
- Ethics Remediation
- Regulation of Telehealth
- PTAs and Joint Mobilization: Exploring the Consistencies and Inconsistencies among APTA, FSBPT, CAPTE PT State Boards, and Clinical Practice
- Citizen Advocacy Center's New Scope of Practice Initiative
- The Development of Sanctioning Reference Points for Use in Board Disciplinary Decisions

Cheryl Gaudin is a member of the Council of Board Administrators (CBA). The CBA has a one day meeting during the Annual Meeting with an educational agenda designed to discuss licensing issues from an administrative view point.

Council on Licensure, Enforcement and Regulation (CLEAR) - "CLEAR promotes regulatory excellence through conferences, educational programs, networking opportunities, publication, and research services for those involved with, or affected by, professional and occupational regulation. There are three core areas of substantive inquiry that CLEAR supports through its annual conference and other venues: compliance and discipline, credentialing and licensing/examination issues, and legislative and policy issues/regulatory administration."

CLEAR offers two levels of investigatory training – Basic and Advanced. All Board Members and Advisory Committee Members are encouraged to complete the Basic Investigatory Training course.

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which teaches techniques when monitoring disciplined licensees Board Members Donna "Dee" Cochran, Teresa Maize, Allison Roux, and Peggy Wilson attended the Basic Investigatory Training course in Austin in April 2010

Federation of Association of Regulatory Boards (FARB) - shares information related to professional, regulation, particularly in the area of administration, assessment and law

FARB offers an Annual Forum which is generally held in January. The Forum is open to board administrators, Board Members and Board counsel Board Members attending were Jerry Jones, Jr, Teresa Maize, Donna "Dee" Cochran, Al Moreau, III, Dan Wood and Danny Landry Cheryl Gaudin, Executive Director, Glenn Ducote and George Papale, legal counsel also attended the FARB Annual Forum in January 2010 in New Orleans Topics addressed at the Forum were

- Criminal Convictions Tied to Practice?
- Standard of Care What is it and How is it Determined?
- Legislative Analysis A Close Look at the Practice Acts
- New Legislation Impacting the Regulatory Community
- Licensure Terminology and Status
- Captain Regulator What is a Regulator?

Louisiana Physical Therapy Association

- The Board was represented at the fall meeting and available to respond to questions on proposed Rules and Regulations language Board representatives manned a booth to provide licensees with a copy of the La Practice Act and Rules and Regulations and responded to questions posed
- Board representatives also attended the LPTA Board of Directors meeting and responded to proposed rules and regulations and the progress and/or adoption of the APA process

Annually, the Physical Therapy Board conducts a group interview with all Louisiana graduating physical therapists and physical therapist assistant students This group interview is in lieu of the personal interview required by the La Physical Therapy Practice Act and Rules and Regulations The interview consists of compliance issues with the rules and provides information regarding application for licensure. The Board conducted these group interviews at the following locations

- LSU Health Science Center – Shreveport campus
- LSU Health Science Center – New Orleans campus
- Bossier Parish Community College – Bossier City
- Delgado Community College – New Orleans
- Our Lady of the Lake Community College – Baton Rouge
- Louisiana Community College -- Pineville

The Board continually strives to comply with its legislative mandate to protect the public while interpreting the scope of practice for physical therapy in the state of Louisiana In doing so, the Board is very conscientious of its fiduciary responsibilities

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Basic Financial Statements. The basic financial statements present information for the Board as a whole. Statements in this section include the following:

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities

with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements begin on page 9 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The index of the notes is found on page 14 with the actual notes beginning immediately afterwards.

Required Supplementary Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Board is included as other required supplementary information.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to users of this report.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Analysis of the Board

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows:

SUMMARY OF NET ASSETS

	<u>2011</u>	<u>2010</u>
Assets		
Current assets	\$ 371,146.31	\$ 71,764.83
Non-current assets	602,512.86	885,156.97
Capital assets, net	<u>24,889.13</u>	<u>13,407.79</u>
Total Assets	998,548.30	970,329.59
Liabilities		
Current liabilities	38,430.54	10,929.87
Long-term liabilities	<u>107,829.10</u>	<u>61,957.70</u>
Total Liabilities	<u>146,259.64</u>	<u>72,887.57</u>
Net Assets		
Invested in capital assets, net of related debt	24,889.13	13,407.79
Unrestricted	<u>827,399.53</u>	<u>884,034.23</u>
Total Net Assets	<u>852,288.66</u>	<u>897,442.02</u>

Net assets decreased by \$45,133.36 or 5% in the current year. Approximately one half of this decrease is a result of adjusting the prior period for other post-employment benefits payable.

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2011</u>	<u>2010</u>
Operating Revenues	\$ 513,865.13	\$ 494,216.31
Operating Expenses	<u>(549,423.39)</u>	<u>(488,499.65)</u>
Operating Income (Loss)	(35,558.26)	5,716.66
Non-operating Revenues (Expenses)	<u>12,644.90</u>	<u>11,006.50</u>
Net Increase (Decrease) in Net Assets	<u>(22,913.36)</u>	<u>16,723.16</u>

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Operating revenues increased by \$19,648 82 or 4% while expenses increased by \$60,923 74 or 12%

The Board transferred some of its investments in certificates of deposit to a savings account, but nonetheless increased its interest income by \$1,658 40 or 15%

Cash flow activity of the Board for the past two years is as follows

STATEMENT OF CASH FLOWS

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents provided by (used for)		
Operating activities	\$ 25,620 52	\$ 47,074 55
Capital and related financing activities	(17,976 92)	(6,542 56)
Investing activities	<u>295,289 01</u>	<u>(101,000 88)</u>
Net Change in Cash and Cash Equivalents	302,932 61	(60,468.89)
 Cash and cash equivalents, beginning of year	<u>68,005 53</u>	<u>128,474 42</u>
 Cash and cash equivalents, end of year	<u><u>370,938 14</u></u>	<u><u>68,005 53</u></u>

Capital Asset and Debt Administration

Capital Assets The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2011 and 2010, was \$24,889 and \$13,408, respectively. Additions in the current year included computers, peripheral equipment and software. All assets were recorded with the State of Louisiana and a detailed list is maintained.

Capital assets at year-end are summarized as follows

**CAPITAL ASSETS
Net of Accumulated Depreciation**

	<u>2011</u>	<u>2010</u>
Depreciable Assets		
Furniture/fixtures	\$ 6,333 88	\$ 6,555 70
Computers and related assets	<u>18,555 25</u>	<u>6,852 09</u>
 Total	<u><u>24,889 13</u></u>	<u><u>13,407 79</u></u>

Debt Administration Long-term debt of the Board includes compensated absences at amounts of \$11,789 and \$11,458 at June 30, 2011 and 2010, respectively. It also includes unfunded other post-employment benefits plan obligations anticipated at \$73,800 and \$50,500 as of June 30, 2011 and 2010,

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respectively, based on actuarially determined amounts

Budget

While operating revenues were less than budgeted amounts by \$13,135 or 2%, operating expenses were \$257,407 or 32% less than anticipated. Interest income of \$12,645 was \$12,355 less than the Board anticipated for the fiscal year. The favorable net variance allowed net assets to remain \$233,133 above budgeted ending balances.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Cheryl Gaudin, Executive Director, at 104 Fairlane Drive, Lafayette, Louisiana 70507, 337-262-1043.

FUND FINANCIAL STATEMENTS

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Business-type Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 370,938 14
Accrued interest receivable	208 17
Total Current Assets	<u>371,146.31</u>
Non-Current Assets	
Investments	602,512 86
Capital assets, net of accumulated depreciation.	
Furniture and fixtures	6,333 88
Computer and related assets	18,555 25
Total Non-Current Assets	<u>627,401 99</u>
TOTAL ASSETS	<u><u>998,548 30</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	19,189 02
Payroll and related payables	16,087 92
Accrued salaries	3,153 60
Total Current Liabilities	<u>38,430 54</u>
Non-Current Liabilities	
Compensated absences payable	11,789 10
Other post-employment benefits plan payable	96,040 00
Total Non-Current Liabilities	<u>107,829 10</u>
Total Liabilities	<u>146,259 64</u>
NET ASSETS	
Invested in capital assets, net of related debt	24,889 13
Unrestricted	827,399 53
Total Net Assets	<u><u>852,288 66</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>998,548 30</u></u>

See Accompanying Notes and Accountants' Report

STATE OF LOUISIANA LOUISIANA PHYSICAL THERAPY BOARD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011	Statement B
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OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____ 513,865
Other	_____
Total operating revenues	_____ 513,865
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	_____ 542,928
Depreciation	_____ 6,496
Amortization	_____
Total operating expenses	_____ 549,424
Operating income(loss)	_____ (35,559)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____ 12,645
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	_____ 12,645
Income(loss) before contributions, extraordinary items, & transfers	_____ (22,914)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ (22,914)
Total net assets – beginning	_____ 875,202
Total net assets – ending	\$ _____ 852,288

The accompanying notes are an integral part of this financial statement

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 513,865 13
OPERATING EXPENSES	
Professional services	117,988 53
Meetings, conferences and travel	123,322 67
Salaries and related benefits	197,524 96
General and administrative expenses	104,091 65
Depreciation	6,495 58
Total Operating Expenses	<u>549,423 39</u>
Operating Income	(35,558 26)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>12,644 90</u>
Change in Net Assets	(22,913 36)
Total Net Assets, beginning	<u>897,442 02</u>
Prior period adjustments - OPEB	(22,240.00)
Total Net Assets, ending	<u><u>852,288 66</u></u>

See Accompanying Notes and Accountants' Report

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 513,865 13
Cash paid to suppliers for goods and services	(325,129 65)
Cash paid to employees for services	<u>(163,114 96)</u>
Net Cash Provided by Operating Activities	25,620 52
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(17,976 92)</u>
Net Cash Used for Capital and Related Financing Activities	(17,976 92)
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of certificates of deposit	282,644 11
Interest earned on certificates of deposit	<u>12,644 90</u>
Net Cash Used for Investing Activities	<u>295,289 01</u>
Net Increase in Cash and Cash Equivalents	302,932 61
Cash and Cash Equivalents, beginning of year	<u>68,005 53</u>
Cash and Cash Equivalents, end of year	<u><u>370,938 14</u></u>

Continued

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2011**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (35,558 26)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
(Increase) decrease in receivables	3,551 13
Depreciation	6,495 58
Increase (decrease) in liabilities	
Accounts payable	16,722 07
Payroll and related payables	10,195 00
Accrued salaries	583 60
Compensated absences payable	331 40
Other post-employment benefits plan payable	<u>23,300 00</u>
Net Cash Provided by Operating Activities	<u><u>25,620 52</u></u>

See Accompanying Notes and Accountants' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA PHYSICAL THERAPY BOARD
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INDEX TO NOTES TO FINANCIAL STATEMENTS
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**LOUISIANA PHYSICAL THERAPY BOARD
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NOTES TO FINANCIAL STATEMENTS
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INTRODUCTION

The Louisiana Physical Therapy Board is a component unit of the State of Louisiana. It was created as the Louisiana State Board of Physical Therapy Examiners by Act 208 of the Regular Session of the 1987 Legislature within the Department of Health and Hospitals as provided by Louisiana Revised Statute 37:2401 et seq. The Board serves as a statewide authority to license and regulate the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law.

Act 535 of the Regular Session of the 2009 Louisiana Legislature amended and restated Act 208 of 1987 to change the name of the Board to the Louisiana Physical Therapy Board, to increase the size of Board membership from 5 to 7, to entitle a per diem of \$150 to each Board and Committee member, and to further define the duties and authority of the Board.

The Board is composed of 7 members appointed by the Governor of the State of Louisiana to serve three-year terms. Five of the members are selected from within the profession who possess an unrestricted license to practice physical therapy and who has been practicing within the state for no less than three years, one of whom is appointed from a list of names submitted by the Louisiana Hospital Association, and two of whom are appointed from a list of names submitted by the Louisiana Physical Therapy Association. Another member is selected from within the profession who possesses an unrestricted license to assist in the practice of physical therapy as a physical therapy assistant and who has been practicing in the state for no less than three years. The seventh member is a physician who possesses an unrestricted license to practice medicine in the state and who specializes in the practice of orthopedic surgery or the practice of physiatry. This member is appointed from a list of names submitted by the Louisiana Medical Society. Board members, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct Board-approved business not to exceed \$150 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana Physical Therapy Board conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana Physical Therapy Board.

Fund Accounting: The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow.

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the Board included the following fund types:

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Board are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Board's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Budgets and Budgetary Accounting: The Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended net assets to fund expenditures of the succeeding year.

The budget is submitted to the Louisiana Department of Health and Hospitals as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Capital Assets: The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method or MACRS over the estimated useful lives of the assets as follows:

Equipment	4-10 years	Office furniture	5-7 years
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Generally, the Board includes all capital acquisitions with a cost of \$1,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

Compensated Absences: Employees of the Board had accumulated and vested \$11,789.10 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.150, at June 30, 2011.

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2011:

	<u>Book Balance</u>	<u>Bank Balance</u>
Savings accounts	\$ 300,149.34	300,149.34
Demand deposits	<u>70,788.80</u>	<u>70,834.05</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

agent bank in a holding, or custodial bank that is mutually acceptable to both parties

With the adoption of GASB Statement No 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with insurance through FDIC and collateral pledged by the agent bank.

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk. Investments of the Board are secured with insurance through FDIC and collateral pledged by the agent bank.

At June 30, 2011, the Board had two certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Montgomery	3/20/12	1.00%	\$ 300,000.00
Bank of Montgomery	9/14/11	0.95%	<u>302,512.86</u>
Total			<u>602,512.86</u>

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and fixtures	\$ 43,519 61	\$ 995 00	\$ 00	\$ 44,514 61
Less accumulated depreciation	(36,963 91)	(1,216 82)	00	(38,180 73)
Net Furniture and Fixtures	6,555 70	(221 82)	00	6,333 88
Computer and related assets	136,276 40	16,981 92	00	153,258 32
Less accumulated depreciation	(129,424 31)	(5,278 76)	00	(134,703 07)
Net Computer and Related Assets	6,852 09	11,703 16	00	18,555 25
Leasehold improvements	1,383 16	00	00	1,383.16
Less accumulated depreciation	(1,383 16)	00	00	(1,383 16)
Net Leasehold Improvements	00	00	00	00
Net Capital Assets, being depreciated	<u>13,407 79</u>	<u>11,481 34</u>	<u>00</u>	<u>24,889.13</u>

NOTE 5 – LEAVE

Annual and Sick Leave The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statements of net assets at \$11,789.10.

Compensatory Leave Non-exempt employees, according to the guidelines contained in the Fair Labor Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no compensatory leave time accrued at June 30, 2011.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6 – RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary if hired prior to July 1, 2006, and 8% if hired thereafter. The Board is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2011, was 22.0%.

Contributions to the System for the years ended June 30, 2011, 2010 and 2009, were \$24,052.60, \$23,748.60 and \$21,608.31, respectively.

NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or a private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Co. of America.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

LRS 42 801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report, however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P O Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708

Funding Policy LRS 42 801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs – 81%, 10-14 yrs – 62%, 15-19 yrs – 44%, 20+ yrs – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or her and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2011, this amount ranges from \$326 to \$338 per month for single active members with Medicare or \$985 to \$1,039 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,191 to \$1,249 per month for those with Medicare or \$1,739 to \$1,835 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

The total ARC for the year beginning July 1, 2010, is as follows

Annual Required Contribution/OPEB Cost	\$ 23,200
Adjustment for interest and amortization	100
Contributions made	<u>0</u>
Change in net OPEB Obligation	23,300
Net OPEB obligation – beginning of year	<u>50,500</u>
 Prior period adjustments	 22,400
 Net OPEB obligation – end of year	 <u>\$96,040</u>

The Board's annual OPEB cost, the percentage of OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year June 30, 2011, 2010, 2009, and 2008 was as follows.

Fiscal Year End	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 22,240	0%	\$ 22,240
6/30/09	23,400	0%	45,640
6/30/10	27,100	0%	72,740
6/30/11	23,300	0%	96,040

Utilizing the pay-as-you-go method, the Board contributed 0% of the annual post-employment benefits cost during the current year

Funding Status and Funding Progress As of June 30, 2011, the Board had not made any contributions to its post-employment benefits plan trust. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below:

Unfunded actuarial accrued liability (UAAL)	\$ 96,040
Covered payroll (active employees)	138,702
 UAAL as a percentage of covered payroll	 69%

Actuarial Methods/Assumptions Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.0% and 10.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2010, was thirty years.

NOTE 8 – LEASES

Operating Leases The Board executed a lease for office space beginning on June 1, 2004. It is for a period of ten years payable at \$2,677.50 per month or \$32,130 annually. For the year ended June 30, 2011, lease payments of \$32,130 were made.

Capital Leases The Board has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2011:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 19,189.02
Payroll and related	16,087.92
Salaries	<u>3,153.60</u>
Total	<u>38,430.54</u>

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011, was as follows

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 11,457 70	\$ 331 40	\$ 00	\$ 11,789 10	\$ 00
Other post- employment benefits plan	50,500 00	23,300 00	00	73,800 00	00
Total	61,957 70	23,631 40	00	85,589 10	00

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

The Board adjusted net assets at July 1, 2010 for the following

Other post-employment benefits payable \$22,240 00

The increase in OPEB benefits payable is based on the liability that was recorded by the Office of Statewide Reporting in its CAFR as of June 30, 2010

NOTE 12 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure

NOTE 13 – LITIGATION

There is no litigation that would require disclosure in this report

NOTE 14 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2011**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Licenses and other fees	\$ 527,000 00	\$ 527,000 00	\$ 513,865 13	\$ (13,134 87)
OPERATING EXPENSES				
Professional services	191,000 00	191,000 00	117,988 53	73,011 47
Meetings, conferences and travel	216,000 00	216,000.00	123,322 67	92,677 33
Salaries and related benefits	233,000 00	233,000 00	197,524 96	35,475 04
General and administrative expense	146,830 00	146,830 00	104,091 65	42,738 35
Depreciation	20,000 00	20,000 00	6,495 58	13,504 42
Total Operating Expenses	806,830 00	806,830 00	549,423 39	257,406 61
Operating Income (Loss)	(279,830 00)	(279,830 00)	(35,558 26)	244,271 74
NON-OPERATING REVENUES (EXPENSES)				
Interest income	25,000 00	25,000 00	12,644 90	(12,355 10)
Change in Net Assets	(254,830 00)	(254,830 00)	(22,913 36)	231,916 64
Net Assets, beginning	897,442 02	897,442 02	897,442 02	-
Net Assets, ending	642,612 02	642,612 02	874,528 66	231,916 64

See Accountants' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2011**

In compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to Board members is presented for the year ended June 30, 2011

Name

Board Members

Cochran, Donna	\$10,125 00
Jones, Jerry J	6,000.00
Landry, Danny P	8,250 00
Leglue, Gerald J	3,150 00
Maize, Teresa	11,400 00
Moreau Jr , Al	1,425 00
Moreau III, Alvin	4,575 00
Wood, Dan	<u>6,000 00</u>
Total	<u>50,925 00</u>

Committee Members

Francois, Dionne	\$1,425 00
Gunaldo, Tina	3,000 00
Lowery, Craig	3,150 00
Roux, Allison	3,300 00
Smith, Trey	300 00
Veneracion, Armafe	600 00
Wilkins, Beth	600.00
Wilson, Peggy	<u>1,500 00</u>
Total	<u>13,875 00</u>

See Accountants' Report
John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors of the
Louisiana Physical Therapy Board
104 Fairlane Drive
Lafayette, Louisiana 70507

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana Physical Therapy Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended June 30, 2011, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38 2211-2251 (the public bid law).

There were no expenditures in excess of \$30,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Board member as defined by LSA-RS 42 1101-1124 (the code of ethics), and a list of outside business interests of all Board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in

agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2)

Budgeting

- 5 Obtain a copy of the legally adopted budget and all amendments

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book

I traced the adoption of the original budget to the minutes of a regular meeting held on December 3, 2009, which indicated that the budget had been adopted by the Board.

- 7 Compare the revenues and expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5% in total or 10% in any one category.

Accounting and Reporting

- 8 Randomly select six disbursements made during the period under examination and

(a) trace payments to supporting documentation as to proper amount and payee,

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Director and Board where applicable.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

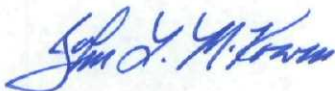
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

A reading of the minutes of the Board for the year indicated no approval for any of the payments noted. I also inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

The prior year report, dated August 31, 2010, did not include any comments or unresolved matters.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



John L. McKowen, CPA
September 5, 2011

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

AUGUST 24, 2011 (Date Transmitted)

JOHN MCKOWEN
2179 MYRTLE AVENUE
BATON ROUGE LA 70806

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations)

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-18), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:38.
Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:483 where applicable.
Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R S 42 1 through 42 13

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S 39 1410 60-1410 65

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S 14 138, and AG opinion 79-729

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report

8/24/11 Leresa May, PT Secretary Treasurer
Date

Treasurer
Date

8/29/11 Jimmy Lee, PT President
Date

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2011**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana Physical Therapy Board are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same review procedures as those recorded in the accompanying financial statements.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2011

Louisiana Physical Therapy Board
104 Fairlane Drive
Lafayette, LA 70507

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P O Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P O Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov

Physical Address
1201 N Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address
1600 N Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Cheryl Gaudin, Executive Director of Louisiana Physical Therapy Board who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Physical Therapy Board at June 30, 2011 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board Sworn and subscribed before me, this 11th day of

August, 2011

Cheryl Gaudin
Signature of Agency Official

Charlotte Clair
NOTARY PUBLIC

Prepared by _____

Title _____

Telephone No _____

Date _____

Email Address _____

LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2011

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**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
BALANCE SHEET
AS OF JUNE 30, 2011**

Statement A

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 370,938
Restricted Cash and Cash Equivalents	
Investments	
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	208
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	371,146

NONCURRENT ASSETS

Restricted assets (Note F)	
Cash	
Investments	602,513
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	24,889
Land and non-depreciable easements	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	627,402
Total assets	\$ 998,548

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accruals (Note V)	\$ 38,431
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	38,431

NONCURRENT LIABILITIES (Note K)

Contracts payable	
Compensated absences payable	11,789
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	96,040
Other long-term liabilities	
Total noncurrent liabilities	107,829
Total liabilities	146,260

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for	
Capital projects	24,889
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	827,399
Total net assets	852,288
Total liabilities and net assets	\$ 998,548

The accompanying notes are an integral part of this financial statement

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Statement C

	<u>Program Revenues</u>				Net (Expense)
			Operating	Capital	Revenue and
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
Entity	\$ <u>549,424</u>	\$ <u>513,865</u>	\$ _____	\$ _____	\$ <u>(35,559)</u>
General revenues					
Taxes					_____
State appropriations					_____
Grants and contributions not restricted to specific programs					_____
Interest					<u>12,645</u>
Miscellaneous					_____
Special items					_____
Extraordinary item - Loss on impairment of capital assets					_____
Transfers					_____
Total general revenues, special items, and transfers					<u>12,645</u>
Change in net assets					<u>(22,914)</u>
Net assets - beginning as restated					<u>875,202</u>
Net assets - ending					\$ <u>852,288</u>

The accompanying notes are an integral part of this statement

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(continued)**

Cash flows from operating activities		
Cash received from customers	\$ 513,865	
Cash payments to suppliers for goods and services	(325,130)	
Cash payments to employees for services	(163,115)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		25,620
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(17,977)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(17,977)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities	282,644	
Interest and dividends earned on investment securities	12,645	
Net cash provided(used) by investing activities		295,289
Net increase(decrease) in cash and cash equivalents		302,932
Cash and cash equivalents at beginning of year		68,006
Cash and cash equivalents at end of year	\$	370,938

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>(35,558)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities		
Depreciation/amortization	<u>6,496</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities		
(Increase)decrease in accounts receivable, net	<u>3,551</u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u></u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>27,500</u>	
Increase(decrease) in compensated absences payable	<u>331</u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u></u>	
Increase(decrease) in OPEB payable	<u>23,300</u>	
Increase(decrease) in other liabilities	<u></u>	
Net cash provided(used) by operating activities		\$ <u><u>25,620</u></u>

Schedule of noncash investing, capital, and financing activities

Borrowing under capital lease(s)	\$ <u></u>
Contributions of fixed assets	<u></u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
	<u></u>
	<u></u>
	<u></u>
Total noncash investing, capital, and financing activities.	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

INTRODUCTION

The Louisiana Physical Therapy Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37 2401 et seq. The following is a brief description of the operations of and includes the parish/parishes in which the Louisiana Physical Therapy Board is located.

The Board serves as a statewide authority to license and regulate the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law. The Board is located in Lafayette.

Act 535 of the Regular Session of the 2009 Louisiana Legislature amended and restated Act 208 of 1987 to change the name of the Board to the Louisiana Physical Therapy Board, to increase the size of Board membership from 5 to 7, to entitle a per diem of \$150 to each Board and Committee member, and to further define the duties and authority of the Board.

The Board is composed of 7 members appointed by the Governor of the State of Louisiana to serve three-year terms. Five of the members are selected from within the profession who possess an unrestricted license to practice physical therapy and who has been practicing within the state for no less than three years, one of whom is appointed from a list of names submitted by the Louisiana Hospital Association, and two of whom are appointed from a list of names submitted by the Louisiana Physical Therapy Association. Another member is selected from within the profession who possesses an unrestricted license to assist in the practice of physical therapy as a physical therapy assistant and who has been practicing in the state for no less than three years. The seventh member is a physician who possesses an unrestricted license to practice medicine in the state and who specializes in the practice of orthopedic surgery or the practice of physiatry. This member is appointed from a list of names submitted by the Louisiana Medical Society. Board members, as authorized by Louisiana Revised Statute 38 3304, receive a per diem to attend meetings or conduct Board-approved business not to exceed \$150 per day.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

The accompanying financial statements of the Louisiana Physical Therapy Board present information only as to the transactions of the programs of the Louisiana Physical Therapy Board as authorized by Louisiana statutes and administrative regulations

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Physical Therapy Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting, therefore, revenues are recognized in the accounting period in which they are earned and become measurable

Expense Recognition

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Physical Therapy Board are annual lapsing appropriations

- 1 The budgetary process is an annual appropriation valid for one year
- 2 The agency is prohibited by statute from over expending the categories established in the budget
- 3 Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature Interim emergency appropriations may be granted by the Interim Emergency Board
- 4 The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows

	<u>APPROPRIATIONS</u>
Original approved budget	\$ 527,000
Amendments	-

Final approved budget	\$ 527,000

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C) See Memo 11-36, Appendix A, for information related to Note C

1 DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Physical Therapy Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Physical Therapy Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011

The deposits at June 30, 2011, consisted of the following

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 370,938	\$	\$	\$ 370,938
Deposits in bank accounts per bank	\$ 370,983	\$	\$	\$ 370,983
Bank balances exposed to custodial credit risk	\$	\$	\$	\$
a Uninsured and uncollateralized				
b Uninsured and collateralized with securities held by the pledging institution				
c Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above

	Banking Institution	Program	Amount
1	Chase Bank	Checking	\$ 70,834
2	Chase Bank	Savings	300,149
3			
4			
Total			\$ 370,983

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet

Cash in State Treasury \$ _____
Petty cash \$ _____

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

2 INVESTMENTS

The Louisiana Physical Therapy Board does maintain investment accounts as authorized by La Revised Statute 33 2955 All are long term certificates of deposit

Custodial Credit Risk

None of the investments of the Board are exposed to custodial risk

**3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND
FOREIGN CURRENCY RISK DISCLOSURES**

A Credit Risk of Debt Investments

N/A

B Interest Rate Risk of Debt Investments

N/A

C Concentration of Credit Risk

N/A

D Foreign Currency Risk

N/A

4. DERIVATIVES (GASB 53)

N/A

5 POLICIES

N/A

6 OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Schedule of Capital Assets (includes capital leases)

<u>University/System</u>	Balance 6/30/2010	Prior Period Adjustments	Restated Balance 6/30/2010	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Buildings							
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Machinery & Equipment	181,180	-	181,180	17,977	-	-	199,157
** Accumulated depreciation	(167,772)	-	(167,772)	(6,496)	-	-	(174,268)
Total buildings	13,408	-	13,408	11,481	-	-	24,889
Infrastructure							
** Accumulated depreciation	-	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 13,408	\$ -	\$ 13,408	\$ 11,481	\$ -	\$ -	\$ 24,889
Capital asset summary							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	181,180	-	181,180	17,977	-	-	199,157
Total cost of capital assets	181,180	-	181,180	17,977	-	-	199,157
Accumulated depreciation/amortization	(167,772)	-	(167,772)	(6,496)	-	-	(174,268)
Capital assets, net	\$ 13,408	\$ -	\$ 13,408	\$ 11,481	\$ -	\$ -	\$ 24,889

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets

** Enter a negative number except for accumulated depreciation in the retirement column

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1 COMPENSATED ABSENCES

The Louisiana Physical Therapy Board has the following policy on annual and sick leave

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations. Only annual leave is accrued in the accompanying statement of net assets at \$11,789 and \$11,458 for June 30, 2011 and 2010, respectively.

2 COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. There was no compensatory leave time accrued at June, 30, 2011.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Physical Therapy Board are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Physical Therapy Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin

participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at

http://lasers_websitegadget.com/uploads/LASERS_2010_CAI_R.pdf

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 22.0% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended June 30, 2010 and 2009 respectively. The (BTA) contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$24,053, \$23,749, and \$21,608, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/atrpackets.htm>) and select “GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011.” Report note disclosures for other plans, not administered by OGB, separately.

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	6/30/2011
1 * ARC	\$23,200
2 * Interest on NOO (4%)	\$2,900
3 * ARC adjustment	(\$2,800)
4 * Annual OPEB Expense (1 + 2 - 3)	\$23,300
5 Contributions (employer pmts to OGB for retirees' cost of 2011 insurance premiums)	\$0
6 Increase in Net OPEB Obligation (4 - 5)	\$23,300
7 *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	\$72,240
8 **NOO, end of year (6 + 7)	\$96,040

J. LEASES

1 OPERATING LEASES

The total payments for operating leases during fiscal year ended June 30, 2011 amounted to \$23,130 A schedule of payments for operating leases follows

Nature of lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017-2021	FY 2022-2026
Office Space	\$ 23,130	\$ 23,130	\$ 23,130	\$ -	\$ -	\$ -	\$ -
Equipment							
Land							
Other							
Total	\$ 23,130	\$ 23,130	\$ 23,130	\$ -	\$ -	\$ -	\$ -

2 CAPITAL LEASES

The Board has no capital leases

3 LESSOR DIRECT FINANCING LEASES

N/A

4 LESSOR – OPERATING LEASE

N/A

K. LONG-TERM LIABILITIES

entity for the year ended June 30, 2011

The following is a summary of long-term debt transactions of the

	Year ended June 30, 2011			Balance June 30, 2011	Amounts due within one year
	Balance June 30, 2010	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable	11,458	331		11,789	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	50,500	23,300		73,800	
Other long-term liabilities				-	
Total other liabilities	61,958	23,631	-	85,589	-
Total long-term liabilities	\$ 61,958	\$ 23,631	\$ -	\$ 85,589	\$ -

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2011, were as follows

Fund (gen fund, gas tax fund, etc)	Customer Receivables	Taxes	from other Governments	Other Receivables	Total Receivables
General	\$	\$	\$	208	\$ 208
					-
Gross receivables	\$ -	\$ -	\$ -	208	\$ 208
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ -	208	\$ 208
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 19,189	\$ 19,242	\$	\$	\$ 38,431
					-
Total payables	\$ 19,189	\$ 19,242	\$ -	\$ -	\$ 38,431

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

N/A

Name		Amount
Donna Cochran	\$	10,125
Jerry J Jones		6,000
Danny P Landry		8,250
Gerald J Leglue		3,150
Teresa Maize		11,400
Al Moreau, Jr		1,425
Alvin Moreau, III		4,575
Dan Wood		6,000
Total	\$	50,925

SCHEDULE 1

STATE OF LOUISIANA

LOUISIANA PHYSICAL THERAPY BOARD

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>526,510</u>	\$ <u>505,223</u>	\$ <u>21,287</u>	\$ <u>4.2%</u>
Expenses	<u>549,423</u>	<u>488,500</u>	<u>60,923</u>	<u>12.5%</u>
2) Capital assets	<u>24,889</u>	<u>13,408</u>	<u>11,481</u>	<u>85.6%</u>
Long-term debt	<u>85,589</u>	<u>61,958</u>	<u>23,631</u>	<u>38.1%</u>
Net Assets	<u>874,528</u>	<u>897,719</u>	<u>(23,191)</u>	<u>(2.6%)</u>
Explanation for change	<hr/> <hr/> <hr/> <hr/>			